

BIPARTISAN ACCORD ON CENTRAL AMERICA

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED FIRST CONGRESS
FIRST SESSION
—
SPECIAL HEARING
—

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BIPARTISAN ACCORD ON CENTRAL AMERICA

WEDNESDAY, APRIL 12, 1989

U.S. SENATE,
SUBCOMMITTEE ON FOREIGN OPERATIONS,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:07 a.m., in room SD-138, Dirksen Senate Office Building, the Hon. Patrick Leahy, (chairman) presiding.

Present: Senators Leahy, Harbin, Mikulski, Kasten, D'Amato, Specter, and Nickles.

Also present: Senator Kerrey.

DEPARTMENT OF STATE

SECRETARY OF STATE

STATEMENTS OF:

HON. JAMES A. BAKER, III, SECRETARY OF STATE

MICHAEL KOZAK, ACTING ASSISTANT SECRETARY FOR INTER-AMERICAN AFFAIRS

ACCOMPANIED BY:

MICHAEL MATHESON, DEPUTY LEGAL ADVISER, STATE DEPARTMENT

TED MORSE, DIRECTOR, TASK FORCE ON HUMANITARIAN ASSISTANCE FOR CENTRAL AMERICA

OPENING REMARKS OF SENATOR LEAHY

Senator LEAHY. Good morning. Mr. Secretary, welcome to the Foreign Operations Subcommittee and I will note that all Appropriations Committee members have been invited to this hearing.

As you know, we have moved a number of things around to accommodate this hearing and as a result some of the members are going to be coming in and out, but the leadership has made it very clear in consultation with you and with President Bush that this is a matter of great priority and they wish to go forward.

As a result, I will waive any opening statement and urge other Senators to do so. Senator D'Amato is here in lieu of Senator Kasten who has been delayed just slightly on another matter.

The purpose of the hearing is to review with you, Mr. Secretary, the bill to embody the bipartisan accord on Central America, and to explore the meaning of that accord. Our subcommittee is to report to the full committee, which has the responsibility for marking up this bill, possibly later this afternoon.

Mr. Secretary, I know you only have 1 hour with the subcommittee this morning, so we do not have much time. I understand that Mr. Kozak, Acting Assistant Secretary for Inter-American Affairs at State, and others, will remain to answer questions after you must leave.

Just so members will understand the subject of this hearing, let me quickly describe the bill before us. It transfers \$49,750,000 in DOD funds to AID for humanitarian assistance to the Contras, as well as \$4,166,000 for medical assistance and \$5,000,000 to AID for operating expenses in administering the program.

The bill, which authorizes this assistance through February 28, 1990, also provides that the funds may be used for voluntary reintegration or regional settlement by the Contras. Further, I am informed that CBO scores the bill before the subcommittee as deficit neutral.

The bipartisan accord which the bill seeks to implement is a complex arrangement, with several important elements and understandings, which I am sure the Secretary is prepared to address.

OPENING REMARKS OF SENATOR D'AMATO

Senator D'AMATO. Mr. Chairman, I am not going to be able to stay throughout the day since we have a banking markup on the FSLIC bill, but I would be remiss if I did not take this opportunity to express our deep appreciation for the work that Secretary Baker has put forth in bringing forth this historic agreement. This accord, S. 760, will, in my opinion, turn the focus where it should be as it relates to Central America: on those who are governing, those who are empowered to see to it that human rights, all of those things that we take for granted, are carried out.

I think it turns it around. It is a different dimension. I think that we will, for the first time, be able to achieve the support of the other Central American countries in attempting to bring tranquility and human and civil rights to that region, so that it can begin a foundation of economic recovery.

I thank you, Mr. Chairman and once again I want to commend Secretary Baker for his outstanding leadership and work in this area.

Senator LEAHY. Senator Kerrey, I appreciate your being here too. We will submit our opening statements for the record. Mr. Secretary, please proceed.

OPENING STATEMENT OF SECRETARY BAKER

Secretary BAKER. Thank you, Mr. Chairman. I have a brief statement that I would like to make and then I would be delighted to respond to your questions.

In his inaugural address, Mr. Chairman, President Bush reached out to the leaders of Congress in both parties and he asked for a new commitment with respect to a bipartisan foreign policy. In recent weeks the leaders of Congress on both sides have responded in the same spirit and with the same commitment to bipartisanship.

As a result, today we have begun to put behind us, I hope, one of the most divisive foreign policy issues in postwar history and we

have embarked on a new, forward-looking diplomacy in Central America and in Latin America. This new policy is a tribute to leadership on both sides of the aisle, Mr. Chairman, and in both the Congress and the executive branch. It is a policy that I am quite confident is good for America.

When our country speaks with one voice on behalf of democratic values our foreign policy holds out great hope for others and our foreign policy can succeed. Conversely, when we are divided and we speak with many voices abroad our friends are confused and demoralized and our adversaries gain. Today, for the first time in many years, the United States speaks with one voice to the people of Central America.

BIPARTISAN ACCORD ON CENTRAL AMERICA

The legislation before you is one essential part of a broad, diplomatic effort outlines in the bipartisan accord agreed to by the President and the leadership of the Congress. Our purpose, as the accord clearly states, I think, is to translate the bright promises of the peace and democracy plan signed by the Central American Presidents in Esquipulas into concrete realities on the ground.

The promises made at Esquipulas are clear. The governments of the region, including—and especially, Mr. Chairman, including—the Government of Nicaragua, pledged three things: they pledged to democratize; they pledged not to use their territory for subversion against their neighbors; and they pledged to create secure and democratic conditions that will allow insurgent voices to reintegrate voluntarily and safely into civil life with full political rights.

PLEDGES BY NICARAGUA

Between now and February 1990, when elections are scheduled in Nicaragua, the whole world will know the answer to this question: Do the Sandinistas keep their word? The democratic community will be watching for that answer. More than that, the democratic community must join together, the democratic community in Latin America, in North America, in Europe, to ensure that this time the promise of democracy in Nicaragua for which 10,000 Nicaraguans gave their lives in 1979, will become a living reality.

There are other questions that will be answered during these 10 months. Will the Sandinista government heed the call of the democratic opposition inside Nicaragua to negotiate fair rules for the coming election?

Will the Sandinista government heed the call of the Central American democratic leaders and President Carlos Andres Perez to negotiate with the Nicaraguan resistance to create the conditions that will permit this peasant army and their families to return to their homes and farms with safety, with freedom, and with security?

Will the Government of Nicaragua heed the call of Esquipulas to stop providing arms, ammunition, and logistical support for the Marxist guerrillas in El Salvador, who are murdering mayors and terrorizing voters in that war-torn country?

Will the Government of Nicaragua honor its promise to the Organization of American States to pursue a truly nonaligned foreign policy by sending home its Soviet-bloc and Cuban personnel?

Finally, will the Sandinistas turn the resources now being used to build the largest standing army in Central America's history to purposes for which they are truly needed—food, homes, education, and health care for the suffering people of Nicaragua?

Democracy and peace, Mr. Chairman, can come to Central America, and with democracy and peace can come the fulfillment of dreams too long delayed of economic development, of opportunity, new trade and prosperity in which all the people of Central America can share.

But obviously, for this to happen the Sandinistas have to keep the promises of Esquipulas and for this to happen the Soviet Union will have to respond to tough questions posed by the people of Latin America.

SOVIET UNION AND THE ACCORD

Will the Soviet Union keep its promises to the people of Central America to support the peace process? Will the Soviet Union keep its commitment to support the Esquipulas agreement by halting aid to Cuba and Nicaragua that provides weapons, ammunition and training for the Marxist guerrillas in El Salvador? Will the Soviet Union bring its so-called new thinking to this hemisphere and stop using Nicaragua as a dumping ground for military equipment and military aid?

If the answers are yes, Mr. Chairman, then the peace process in Central America can succeed. Another regional conflict can be resolved on honorable terms that bring peace and self-determination and the new, hopeful relationship which has begun between the United States and the Soviet Union can take another step forward.

The legislation you are considering is an integral part of the bipartisan accord and it is totally consistent with the Esquipulas agreement which specifically provides for humanitarian assistance.

President Arias on his recent visit said this legislation and the policy outlined in the bipartisan accord is completely consistent with his peace and democracy plan. This assistance will make it possible for Sandinista promises to be tested. It will make it possible for the Nicaraguan resistance to test voluntarily those promises by choosing to reintegrate into Nicaragua as their political and security rights are guaranteed.

Our purpose is to make this diplomatic initiative succeed. With the support of the Congress, we pledge to work closely with democratic leaders of Central and South America and our democratic allies in Europe to give democracy and peace a chance in Central America.

Mr. Chairman, I salute the leaders of Congress on both sides for joining together in support of this new bipartisan policy. I think it is an important day for Central America and I think it is an important day for the United States.

Mr. Chairman, I urge your support of this very important legislation. Thank you.

USE OF HUMANITARIAN ASSISTANCE FUNDS

Senator LEAHY. Thank you very much, Mr. Secretary and I know that you have spent a great deal of time on this, as has the bipartisan leadership of both the House and the Senate. My understanding is that none of the funds in this bill can be used to support Contra military operations in Nicaragua or military training. Is that understanding correct?

Secretary BAKER. That is correct, Mr. Chairman. The purpose of the funds is not to support offensive military operations. The term offensive military operations is used because clearly, I think, it is envisioned that the resistance will be able to defend themselves against offensive operations conducted against them.

Senator LEAHY. That is the view throughout the administration? There is no question about that?

Secretary BAKER. That is the policy and that policy will be stated, Mr. Chairman, in a letter that I will write to the leadership—the bipartisan leadership of the Congress.

VOLUNTARY REINTEGRATION

Senator LEAHY. I understand that the funds can also be used to assist Contra members and their families to voluntarily reintegrate into Nicaraguan society or to relocate within the Central American region. Is that understanding correct?

Secretary BAKER. Provided that the reintegration and relocation is indeed voluntary, Mr. Chairman, and provided that it is done in the context of Esquipulas. That is, provided that democratization is moving forward in Nicaragua. But that is essentially correct.

Senator LEAHY. Do you know whether the Contra military leadership will allow the Contras to accept such assistance freely and leave the Contra camps if they so choose?

Secretary BAKER. Well, the Contra leadership—the leadership of the resistance, Mr. Chairman, supports this accord. They have, I think, uniformly endorsed it.

It is the intention of some of the political leadership of the resistance to reintegrate into Nicaragua to test some of the promises of the Sandinistas with respect to the conduct of elections and to participate if they can and, if they can reintegrate under safe and democratic conditions, participate in the proposed electoral process.

I am not aware of any efforts that are going to be made by the resistance leadership to discourage individual members of the resistance from accepting voluntary reintegration, but voluntary reintegration is going to depend in large part on whether they feel they can move back under safe and democratic conditions and the term that is used in Esquipulas is “safe and democratic conditions”.

Senator LEAHY. I understand that AID will begin civilian job training programs, literacy classes and other activities in the Contra camps to help the individual Contras prepare to return to civilian pursuits. Is that correct?

Secretary BAKER. Well, there will be training in political actions, training in literacy, vocational training and things like that, Mr. Chairman, as I understand it, the funds can and will be used for that.

NICARAGUAN PROMISES

Senator LEAHY. What precisely does the administration expect from Nicaragua during the life of this funding? What measures, or steps, do you expect the Sandinistas to take for the administration to apply some of the incentives mentioned in the accord and what kind of incentives do you have in mind?

Secretary BAKER. Well, what we really expect them to do is to keep the promises that they have reiterated on a number of occasions. The promises, basically, of Esquipulas.

Those promises and the undertakings of Esquipulas are the establishment of democratic representative and pluralistic systems that will guarantee the organization of political parties that effect the participation by the people in the decisionmaking process and ensure that the various currents of opinion have free access to fair and regular elections based on the full observance of citizens' rights.

Freedom of television, radio, the press, complete pluralism of political parties, free and democratic elections. Clearly, freedom of religion. Some things that, as Senator D'Amato pointed out, I think we tend sometimes to take for granted, but that do not exist in Nicaragua. That is a summary, Mr. Chairman, of the goals of Esquipulas. But what the administration is seeking from the Sandinista government is to keep the promises they have made before about conforming with the Esquipulas agreement.

U.S. INCENTIVES

Senator LEAHY. You mentioned incentives from the United States if they do conform. Would these incentives include either easing or ending the trade embargo?

Secretary BAKER. Yes, sir; it could. What we talked about, what we discussed with the bipartisan leadership was the potential application of both incentives and disincentives, depending upon the conduct of the Sandinistas toward the fulfillment of their promises. Clearly, easing off on our economic sanctions would be one incentive if they were to move forward in a positive manner.

Senator LEAHY. How about the curtailing or cessation of United States military maneuvers in Honduras?

Secretary BAKER. That is something that could be likewise considered, Mr. Chairman—again, if things move forward in a positive way down there.

Senator LEAHY. How about United States or multilateral assistance in Nicaragua itself?

Secretary BAKER. Well, that is something I think you would want to look at—that is something I really believe we would want to test in the context of the conduct of the election itself—the election that is scheduled for February 1990. That, after all, is almost the ultimate carrot and I do not think we would want to lead you to believe that that is something we might be implementing before we really see whether or not they keep their promise of holding a free, fair, open and democratic election.

POLITICAL SETTLEMENTS IN CENTRAL AMERICA

Senator LEAHY. Mr. Secretary, I feel that you really are on a new policy track in Central America and so I would ask, as my last question, how would you use the Contra assistance program to support the Esquipulas accord—and the El Salvador accord efforts—to find a political settlement in Central America?

Secretary BAKER. How would we use it to assist toward a political settlement?

Senator LEAHY. Yes.

Secretary BAKER. Well, one thing that this assistance will do, of course Mr. Chairman is keep the resistance alive and intact. The agreement of Esquipulas calls for direct talks between government and opposition to achieve national reconciliation.

We would like to encourage the Sandinistas to begin a dialog with the resistance about how the election is going to be conducted, what are the ground rules going to be, what opportunities will the opposition have to fairly contest an election to be held in February 1990.

Our support for the resistance will mean that there will be an opposition there with whom the Sandinistas can speak if they are inclined to keep their promises.

Senator LEAHY. Mr. Secretary, I think we are at a historic moment here, I really do. I think both those who have supported the Contras for years and those like myself who have opposed the Contras for years, realize one thing: The Contra war is at an end. This really does bring about the end of the Contra war.

Now I think we can address some of the realities. By itself, Nicaragua does not pose a threat to the security of the United States, but I think there are threats not only to Central America but to the whole region throughout Central America. The threats of illiteracy and poverty, hunger—all these things make up the real problems of Central America. I hope that this accord will allow the United States and the Central American countries to start addressing those real problems together.

If we can, I think you Mr. Secretary and those who have worked to put this accord together will leave a very significant legacy to the region.

Secretary BAKER. May I simply say that the four Central American democracies strongly support this, Mr. Chairman, as I think you know. They support the approach. It means we now not only have a unified approach up here in North America but one where North America and Central America, the democracies of North America and Central America, are basically unified.

I agree with your characterization of some of the problems down there. I do believe that Nicaragua can be deemed to represent a threat and a rather serious threat to the peaceful existence of some of its neighbors and I alluded in my remarks to the fact that you have here the largest army in the history of Central America.

We also have a situation where the Soviet Union continues to funnel roughly \$515 million a year in military assistance into Nicaragua, notwithstanding the fact of course that we have not supplied any military assistance to the resistance since February 1988.

Senator LEAHY. Well, Mr. Secretary let us hope for the best. You speak of the attitude of the democracies in Central America and wanting to see a unified front here. I talked with President Arias over the phone for half an hour recently. He echoed those sentiments greatly.

I have gone over my time and I yield to Senator D'Amato.

REACTIONS TO THE BIPARTISAN ACCORD

Senator D'AMATO. Thank you, Mr. Chairman. Mr. Secretary, I am pleased, because, to be quite candid with you, I am tired of having the United States and our efforts mischaracterized as being less than seeking peace and human rights and the ability of people to determine for themselves. I think that is what we are about. But no matter how hard we attempted to bring that message across to a good number of our own citizens, and certainly to the world community, we failed.

I think we have an historic opportunity that you and the president have put together to really put the spotlight of world opinion on the Sandinistas. All right, no more arms. Humanitarian aid. Let us see what the Sandinistas are going to do. Let us see what the Sandinistas are about.

What about the standing army that is so large? Let me get to this. What has the reaction, Mr. Secretary, of the Sandinistas been to this accord?

Secretary BAKER. Well, the Sandinista reaction has been very negative, Senator D'Amato, because I think they fear the very thing that you have just pointed out and that is that the opinion of free governments around the world will now be unified and the pressure will be, I think, on them to finally keep some of the promises that they have continually made over and over again but not kept.

So I think that is why they have been negative with respect to this proposal and why other governments, free governments around the world, have been positive. I mentioned the Central American democracies. I mentioned Venezuela. I think we should include Canada in that as far as our conversations are concerned. Some conversations I have had with counterparts from Europe, some of the democracies of Europe are quite pleased with this as well.

SOVIET INTENTIONS

Senator D'AMATO. Let me then ask, have you had an opportunity to fully explore this with the Soviets and seek out what their intentions will be as relates to this accord?

Secretary BAKER. The Soviets said some time ago that they supported the goals of Esquipulas. Now we will have an opportunity to test that as well, as I indicated in my statement. We will see whether the Soviets really support the goals of Esquipulas. We will see whether there is any meat on the bones of the so-called new thinking as far as Soviet intentions and objectives and goals in Central America are concerned.

I raised this issue of the military assistance that they continue to funnel into Nicaragua directly with Minister Shevardnadze in

Vienna several weeks ago and the response I got was the public response the Soviets generally have been putting out on this issue. Which is, if you stop supplying other governments in the region, free democratic governments which we do assist, against the threat that is represented by that very large army in Nicaragua then we will consider cutting back our assistance to Nicaragua.

We made clear to him that that was an absolute nonstarter as far as we were concerned. It is a totally different situation. The same point of view was reiterated recently in General Secretary Gorbachev's trip to Cuba. So I think it remains to be seen whether there will be any action or deeds behind the rhetoric that the Soviet Union puts out about so-called new thinking.

Senator D'AMATO. Mr. Secretary, I think it is incumbent and important that the Congress of the United States begin to echo this challenge in our dealings with the Soviets and with others. When we meet Soviet diplomats, when we put forth our statements, we, too, now look forward to seeing whether or not they are going to match their rhetoric with deeds.

This is an opportunity for them to demonstrate the sincerity of their claims for the deescalation. There must be an easing of tensions, if we are going to begin talking about a significant change as it relates to trade and credits and the kinds of things that the Soviets have been seeking.

I think it is important for the Congress of the United States and the administration to talk with one voice, so that they do not get mixed signals and think that they can talk a good game, and yet, when it comes to our hemisphere, not carry it out.

Secretary BAKER. That is absolutely correct, Senator, and let me simply say what I think you are saying, and that is that this bipartisan approach and bipartisan accord and the fact that the United States is now speaking with one voice gives us a much stronger position to advance with respect to what the Soviets are doing there.

I am not going to suggest to you that it means we will necessarily succeed, but at least we have a much stronger hand to play.

Senator D'AMATO. On that note, I want to commend the chairman for calling this hearing as expeditiously as he has and also for being part of that leadership group that has helped move us to this, I think, rather historic point.

Thank you, Mr. Chairman. Thank you, Mr. Secretary.

Senator LEAHY. Thank you very much, Senator D'Amato.

Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

Mr. Secretary, first I would like to congratulate you and the President in the way you have worked with the Congress in trying to achieve essentially a bipartisan accord for too often the conflict has focused here in the Congress rather than in brokering the conflict in the Congress rather than the one in Central America. So, I think this has taken us a long way in brokering the conflict in Congress so we can then focus on ending the conflict in Central America.

MONITORING HUMAN RIGHTS

As we take a look at the accord that we have reached, my questions will focus on human rights. And one of the reasons I will do that is that there are many constituency concerns around what this humanitarian aid means. Their concern for those who have been part of the, you might say, the liberal or the left concern about Central America is that any aid to the Contras really only results in brutality, that we talk about shoes and boots and it ends up doing the wrong thing. So, that is the thrust of my questions.

I think we can go a long way in assuring people. But I would like to ask about this whole issue of monitoring human right. Now, when we do the payments to the Contras, they are now being audited by GAO and Price Waterhouse. Price Waterhouse is great for the Academy Awards, but who is going to audit the Contra human rights. In other words, we have an audit for the money to make sure that is fine. We have even reached down to the private sector to do that. But then tell me what will be the systematic way to audit to be sure that there are—is a containment or elimination of human rights violations.

Secretary BAKER. Well, we have put in place following some legislation in 1986, Senator Mikulski, some human rights enforcement machinery. We have just had a situation where some offenders of human rights have been booted out of the resistance, which is really the only kind of penalty that the resistance itself can levy because they do not have any jurisdictional authority where the investigation into human rights violations occurs in Honduras.

But we have this machinery in place. We take a very strong stand on human rights. Anytime we hear of human rights violations, we insist that the offenders be brought to justice to the extent that they can be; that is, be booted out of the resistance, and we will continue our policy under this bipartisan accord. We will continue our policy of cutting off funds for any member of the resistance judged to be a violator of human rights under that process.

REVIEW OF HUMAN RIGHTS ABUSE ALLEGATIONS

Senator MIKULSKI. Can you tell me, Mr. Secretary, what is that machinery and are there any independent groups that are now on the spot or that you would intend to invite.

Secretary BAKER. Senator Mikulski, I will ask Deputy Assistant Secretary for Inter-American Affairs, Mr. Kozak, to respond to your question.

Mr. KOZAK. Senator, after the legislation the Secretary mentioned was passed, we established a procedure within the Department to have the Bureau of Humanitarian Affairs, the Legal Adviser's Office, and in our Bureau review any allegations.

At the same time we funded the ANPDH. It is an independent Nicaraguan human rights organization. It is a Nicaraguan association for the protection of human rights headed by a lady who is very respected. She had a human rights organization in the days of Somoza. She was also there monitoring Sandinista activities, and when they threw her out, she has been monitoring the activities of the resistance.

In addition, we also created a military prosecutor's office or helped the resistance to do that, and that resulted in the process the Secretary mentioned. If the human rights organization finds any credible evidence of human rights violations, the individuals charged are put on suspension, and then they go through effectively a trial process or court martial process in which the evidence is brought out. And if they are guilty, they are thrown out—

Senator MIKULSKI. In addition to our own machinery, there is an independent group known for its advocacy of human rights.

Mr. KOZAK. That is correct.

Senator MIKULSKI. Headed by a personality who has been long associated with advocacy on this issue. Essentially is this some type of field organization around the Contra activity? Because this is where constituencies then talk about the torture of prisoners, occasional attacks on civilians including women and children, and they can be pretty horrifying. We are not only talking about civil liberties being curtailed. We are talking about violence, either torture or debasement.

Mr. KOZAK. Exactly, the lady's name for the record is Marta Patricia Baltadano, who has this very respected record, and she does have investigators in the field around the camps. Whenever there is a charge, they discuss with the members of the patrols that come back. They seek witnesses, not only from the resistance, but from people in the communities where these activities have allegedly occurred. So, there is a pretty good—

Senator MIKULSKI. And then these reports come to where? Where do they go? I presume she does the reporting system?

Mr. KOZAK. She puts out her reports publicly, ultimately, but they go to the military prosecutor's office in the resistance. We also get them. And it is we, in the end, who makes these judgments—in the end we have to stand responsible for them. These are our sources of information, but the Department has to decide whether the case is credible or not in terms of our own funding policy.

Senator MIKULSKI. Is that how the four Contras who were recently found guilty of human rights violations come to the attention?

Mr. KOZAK. Yes.

Secretary BAKER. I thought it was six. It is six, I believe.

Senator MIKULSKI. Thank you. I think that is a very interesting—when you talked about machinery, that was so abstract. I mean, you have got a lot of—you have a lot of cooking, if you will, at the State Department.

Secretary BAKER. There is a lot cooking when you consider that this is probably the only resistance group operating in the world today that does have human rights machinery in place for the enforcement of human rights. Most resistance groups do not have this.

This may not be perfect, Senator, but it is better than what used to be the case.

Senator MIKULSKI. You see, Mr. Secretary, what we are talking about is confidence building not only within Central America, but our support ultimately depends upon the support of the people, our own people for this policy, and that is where this question comes from. I think, Mr. Chairman, that completes my round of questions.

Senator LEAHY. Thank you. We will go to Senator Kasten and Senator Kerrey.

SOVIET AID TO NICARAGUA

Senator NICKLES. Senator Kasten, thank you very much.

Mr. Secretary, welcome. I noted with interest your statement that the Soviet Union is still supplying the Sandinistas with an estimated \$500 to \$600 million of military assistance each year, is that correct?

Secretary BAKER. That is our estimate, yes, sir, Senator.

Senator NICKLES. Has the Esquipulas accords changed that in any way?

Secretary BAKER. Well, the Soviet Union agreed to respect Esquipulas. Esquipulas requires, calls for discussions between resistance and—I mean governments and the opposition. It does not speak specifically to the fact that the Soviets are funneling military assistance to the Nicaraguan Government that I am aware of, but just a moment.

[Pause.]

Secretary BAKER. Esquipulas calls for the cutoff of all outside aid to insurgencies, Senator Nickles. It does not have a corresponding provision with respect to aid to governments.

Senator NICKLES. So, am I correct in saying Esquipulas does not prohibit the Soviet Union from continuing to put in \$500 million per year into the military buildup for the Sandinistas?

Secretary BAKER. Well, there is no direct prohibition under Esquipulas, no. But there is—the Soviet Union undertook to—they committed to support Esquipulas. There are other provisions of Esquipulas, as I indicated earlier, that they are not supporting.

Senator NICKLES. Mr. Secretary, my point is I know a lot of people are dancing in the streets over Esquipulas, but I have been reading this during your statement and before and maybe this resolution is the best that we can get through in a bipartisan Congress, but there is nothing in Esquipulas as this Senator is reading it that prohibits the Soviet Union from continuing to put in hundreds of millions of dollars under military assistance to the Sandinistas.

Secretary BAKER. Nothing, that is right.

Senator NICKLES. The prohibition is against irregular forces, and I doubt if the Sandinistas would define themselves as irregular forces.

Secretary BAKER. That is correct.

Senator NICKLES. It may well be that given the complexity of—did you want to correct that? I wish it were incorrect.

Secretary BAKER. Well, the point that is being made here, and I think it is a good one, and I have made it—I think I made it earlier—aid that the Soviet Union gives to Nicaragua and to Cuba ultimately finds its way to the FMLN in El Salvador. That is an opposition group that would be banned by Esquipulas, and that is something we would very much like to see stopped.

Senator NICKLES. I would concur with that. But there is nothing to keep the Soviet Union from continuing to put in hundreds of millions of dollars in military assistance into Nicaragua.

Secretary BAKER. Not in Esquipulas itself, no, sir.

Senator NICKLES. And certainly I wish we could, but we cannot pass a resolution in Congress that would stop them from doing that either. We can—I am looking at Esquipulas. There is also an agreement which you have heralded and certainly if it happens I would hope it would happen, and that calls for free elections in Nicaragua in February of next year.

The Sandinistas have signed on to this, Nicaragua has signed on and agreed to the Esquipulas accords.

Secretary BAKER. Yes.

NICARAGUAN ELECTION

Senator NICKLES. They have agreed to the elections of February 1990?

Secretary BAKER. They have agreed to them.

Senator NICKLES. They have in the past agreed to elections and broken those promises.

Secretary BAKER. As I said earlier, you bet they have.

Senator NICKLES. As a matter of fact, the Sandinistas have a track record of broken promises for the last 10 years, is that not correct?

Secretary BAKER. You are absolutely right, Senator.

Senator NICKLES. I hope that the elections do take place. I hope that there is a cessation of hostilities. I hope that there is return to democracy. I hope there is political freedom and religious freedom as called for in those accords, although I have serious questions whether the history of the Sandinistas would allow that to happen.

And I also think that it is very inequitable to continue to have hundreds of millions of dollars in Soviet military assistance going into Nicaragua and this Congress and Government doing very little about it.

I hope that maybe—I know in your discussions you mentioned this with your counterpart, Mr. Schevernadze—I hope that those discussions will bear fruit. I am afraid that with this resolution we are not giving you ample negotiating power. There is no level commitment.

We are looking at \$49 or \$50 million of nonmilitary assistance. The Soviet Union, if you looked at their military assistance at \$500 million and in nonmilitary assistance close to another \$500 million. Is that close for Nicaragua?

Secretary BAKER. Another \$500 million in economic.

Senator NICKLES. So, the Soviet Union is putting in today about \$1 billion.

Secretary BAKER. \$1 billion.

Senator NICKLES. Into Nicaragua. And one final comment. We are doing maybe \$50 million to support those. The chairman mentioned that the war was over in Nicaragua. Would you agree with this Senator that some of us are still really working and maybe fighting to regain some freedom in Nicaragua?

Secretary BAKER. Yes; I would agree, Senator. That is the objective of the administration as well. I think the record should reflect what the administration has said from the day this accord was announced down at the White House. There is nothing in here, of

course, that precludes the administration for asking for further military assistance for the resistance. There is no bar or prohibition to that. I quite agree with you. I am not sure that the votes exist to get it.

I think the record ought to also reflect, Senator Nickles, that I have the very same reservations you do about Sandinista performance. The record is abysmal. They have not kept any of their promises. But we do have an opportunity here now to, as Senator D'Amato pointed out, focus public opinion, world opinion, on their failure to keep their promises. So, from that standpoint, I think the agreement is very beneficial.

I also have the same reservations you do about Soviet intransigence where Central America is concerned, and they do continue to funnel \$1 billion a year of assistance in there. But this agreement puts the United States back in the ball game in Central America.

We were not in it. We were totally out of it because we had a legislature going one direction, and we had an executive branch going another, and we could not function. And there was no ability, if I may say so, on the part of the executive branch to carry out one of its, I think, constitutional functions to implement the foreign policy of the United States.

Therefore, you had a meeting down in Tesoro in El Salvador along about the 14th or so of February where the Central American democracies and Nicaragua took steps to come up with a plan for complete demobilization of the resistance.

One thing this bipartisan accord does that I think is very important is it links any questions of reintegration, relocation, demobilization of the resistance to progress on democratization in Nicaragua, and it does keep the resistance intact and in existence for possible or potential use down the line.

People will argue about how much of an incentive that represents for the Sandinistas. But when you hear the screams that came from them when this accord was announced, you have got to believe that continuing the resistance in force is indeed quite some incentive as far as the Sandinistas are concerned, and hopefully we will see, now that world opinion is focused on this problem, better performance. But I am not sanguine.

I do think this is the best policy course under the circumstances. I think it gets us back in the game. It strengthens our hand, perhaps maybe not enough, but it is the best we can do under the circumstances, and I really think it ought to be supported.

Senator NICKLES. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Senator LEAHY. Thank you.

The Secretary has to leave soon so we will go to Senator Kerrey and then Senator Kasten, and in all likelihood that will be it on the questions. Senator Kerrey.

Mr. Secretary, do we have time for questions from both of these Senators?

Secretary BAKER. Sure.

Senator KERREY. Thank you, Mr. Chairman.

PUBLISHER'S NOTE:

The following pages are unavailable for filming:

15 thru 30

Senator HARKIN. You cannot go beyond what we authorized or what we appropriated for NED. Are there any other authorities that exist that allow you to spend money in the Nicaraguan elections that are separate from our appropriations for NED?

Are there other authorities under which you can spend money in Nicaragua for the elections there that is distinct from, separate from, the NED appropriation?

Mr. KOZAK. There would not be any unless it is authorized by Congress.

I should also mention—

COVERT AID FOR NED

Senator HARKIN. You are not aware of any other authorities that would permit you to spend money that are not provided by this subcommittee for NED?

Mr. KOZAK. I can see where you are headed, Senator, and obviously that is not something I can answer here. Again, without trying to imply anything one way or the other, I do not think we can talk in open session about whether there is some other source, potential source of funding in something like this.

I wanted to mention with respect to NED—

Senator HARKIN. You raised some real concerns again that, again, if it is overt, if it is aid like in Chile—for example, Chile has 13 million and Nicaragua has 3 million people. We spent \$1.1 million in Chile and everybody knew it. It was open, it was above-board.

Well, we spent \$1.1 million in Chile with 13 million people and all of a sudden you are telling me that there may be other avenues of putting money into the Nicaraguan elections. What are we looking at?

Mr. KOZAK. Senator, what I am saying is that if you ask me are there authorities to engage in covert action in the law? Of course there are in a general sense. If you ask me are you doing that or would you do that in England, France, Afghanistan, and Nicaragua, I cannot answer you in open session. That is all I am saying.

AID WILL ADMINISTER AID

Senator LEAHY. If the Senator would yield, this compromise package directs that the money goes to AID, is that not correct?

Mr. KOZAK. That is correct.

Senator LEAHY. And there is no funding in here that is given the authority to go directly or indirectly to the CIA, is that correct?

Mr. KOZAK. That is correct, Mr. Chairman.

Senator LEAHY. I mention that because for years we tried to substitute a covert action policy for a foreign policy in Central America, and I concur with the Senator from Iowa. I do not want to see us go back to that, but on this specific program, the money is AID and only AID.

Mr. KOZAK. That is correct, Mr. Chairman. I think there is also a specific prohibition in the bill that is carried over from existing law that no additional assistance can be provided to the Nicaraguan resistance unless the Congress enacts a law specifically authorizing such assistance.

So, my reluctance with respect to Senator Harkin's question is not meant to imply some agenda here, but simply to deal with the general problem that you always have out there that the Congress could through appropriate procedures authorize programs anywhere in the world, and we obviously cannot talk about them in an open session. But that is the only point I am making on that.

I would say also I wanted to pick up—there is another potential source of funding namely ESF, but both with respect to that and the NED activities, we do have a problem—the Brooke-Alexander amendment problem.

Nicaragua is in arrears on their payments on United States Government loans, and that gets us always into a complication. There is a provision in the Foreign Assistance Appropriations Act that precludes you from spending funds under that act to benefit any country—not just the Government, but anybody in the country if the Government is in arrears on their aid payments—and Nicaragua is in that status. So, that is a potential source, but it is fenced off because of that prohibition in existing law.

That is pretty esoteric.

BANNING COVERT ACTIVITIES IN NICARAGUA

Senator HARKIN. Would the administration accept an amendment that would ban covert activities by the CIA in Nicaragua during the period of the elections process?

Mr. KOZAK. Senator, I think the position the administration has taken with respect to this legislation is that we would like to see no amendments at all. This was a very finely balanced accord that was worked out with the bipartisan leadership with the administration and, you know, people have suggested virtuous amendments that we would be very happy to see and some others that we might not be so happy to see. But the minute you start opening that up, it is Pandora's box.

And so I think our position has been that this does what the bipartisan accord set out to do, which is to extend the current program, and it does that cleanly and simply.

Senator HARKIN. Would you accept an amendment on the intelligence authorization bill that would specifically ban or prohibit covert activities inside Nicaragua on behalf of parties?

Mr. KOZAK. I think that is something that should be discussed in the context of the intelligence authorization bill and that committee.

MONITORING NICARAGUAN ELECTIONS

Senator HARKIN. I know there is a vote on. I have a couple more questions.

How will you make the determination that the elections are conducted fairly? How will you make that determination?

Mr. KOZAK. As I was saying, I think initially what we would like to do does not involve just us. Obviously, we have to make our own judgments. When I speak of us, that includes both the Congress and the Executive as to what our own reactions, our response in policy terms would be. But a lot of the input to that is going to be based on what people who observe these elections feel about them.

This is why we are encouraging the maximum in terms of foreign observers and domestic observers going in there. We would like to see NED in there. We would like to see CODEL's in there. We would like to see the OAS in there. We would like to see Venezuela and any other countries that have taken an interest get in there and foreign journalist and so on.

Transparency is the best guarantee.

Senator HARKIN. I agree with you on that.

The Tesoro Beach accord of February 14 provides that delegates of OAS and United Nations will be invited to Nicaragua during the process. Will we be providing any support for the OAS and United Nations for these activities and, second, will we accept in their conclusions about the elections.

Mr. KOZAK. We have spoken both with the Secretary-General of the OAS and with the Secretary-General of the United Nations about their verification activities. We are supportive of that.

We would like to see, as I said, the maximum amount of verification going in. They are sending study teams and so on. They will see what kind of funding problems they have and so on. We will try to be helpful.

Senator HARKIN. We will try to be helpful in funding for the United Nations and OAS. Thank you. Can we submit our questions in writing?

ADDITIONAL COMMITTEE QUESTIONS

Senator LEAHY. Yes; I will keep the record open for questions in writing.

Mr. Kozak, Secretary Baker called the Contra policy "the most divisive in recent history," and I think he is right. As I said earlier, we tried to substitute a covert action policy for foreign policy which never worked before. It did not work now and in my estimation—and this is not a question—I do not want to put you on the spot—but in my estimation as one Senator, it was a disaster for Central America in as many ways as it was for the United States.

So, I hope that we do not have a situation that would develop that would cause you or the administration to return to that failed policy.

Many of us are willing to take a leap of faith that there is going to be a change, and I think a number of the Central American countries want us to do that.

And perhaps, as I said earlier, the Soviet Union would realize that this may well be a watershed and take part in it.

So, the questions that Senator Harkin has asked are significant ones. I realize that some cannot be answered in this kind of a session, but I think it also points out some of our own, the concerns of all of us.

There will be some additional questions from various Senators which we will submit to you for your response.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR LEAHY

U.S. POLICY TOWARD NICARAGUA

SENATOR LEAHY: What specific actions does the Nicaraguan government have to take before the Administration will lift the trade embargo?

MR. BAKER: The trade embargo is one of an array of diplomatic and economic measures currently being employed by the United States to encourage the Sandinistas to fulfill the pledges they have made regarding democratization in Nicaragua. Modification of any of these measures will depend on substantial progress being made in Nicaragua toward the goals outlined in the Bipartisan Accord, namely, democratization, an end to subversion and destabilization of its neighbors by Nicaragua, and an end to Soviet-bloc military ties that threaten U.S. and regional security.

SENATOR LEAHY: Does the Administration plan to take any specific diplomatic steps to improve relations with Nicaraguan government prior to the February 1990 election? Do you plan to offer direct discussions with the Nicaraguan government about mutual security concerns? Do you believe this would be useful to demonstrate the Administration's commitment to support the Central American peace plan, as President Bush has said he plans to do?

MR. BAKER: The Administration is considering many diplomatic options with regard to Nicaragua. We support the use of incentives and disincentives to achieve U.S. policy objectives. In the past, the Sandinistas have used bilateral talks as a means of undermining the regional peace process. The Bipartisan Accord between the President and Congress demonstrated the Administration's commitment to the initiatives taken in the Esquipulas and El Salvador accords. While the question of whether to renew talks with the Sandinistas is under constant review, we do not intend to engage in such talks at the expense of the regional peace process and progress toward peace and democratization. Our Embassy in Nicaragua is available to meet with the Government of Nicaragua at any time.

SENATOR LEAHY: Have you abandoned former President Reagan's goal of overthrowing the Nicaraguan government?

MR. BAKER: The Administration believes that the people of Nicaragua are entitled to full personal and political rights, including the right to choose their government in free and fair elections. We are committed to pursuing the attainment of those rights by the people of Nicaragua.

SENATOR LEAHY: In November, when congressional leaders have to approve the final three months of assistance under the new aid package, what should we look to the Nicaraguan government to have done? What progress do you expect to have been made by that point? What do you expect to have happened by the February 1990 elections?

MR. BAKER: By the time of the February 1990 elections, we would like to see the Sandinistas comply with the commitments they have undertaken in the Esquipulas II, Alajuela, Sapoa and Tesoro Beach accords. Specifically, we want to see the Sandinistas: establish a national reconciliation, including a meaningful dialogue with all opposition groups and full amnesty for exiled Nicaraguans; cease hostilities with insurgent groups; achieve full democratization, including freedom of the

press and complete pluralism of political parties; hold free, pluralistic and fair elections; cease all aid to insurgent movements; prevent of the use of their territory as a staging ground for attacks on Nicaragua's neighbors; provide protection of and assistance to refugees and displaced persons; cooperate with its neighbors to attain economic development in the region; and support facilities and mechanisms for international verification of its progress. The Administration expects the Sandinistas to live up to their commitments in the accords, and we encourage members of Congress to take a role in investigating and verifying Nicaragua's progress toward democracy.

NICARAGUA RESISTANCE

CHAIRMAN LEAHY: I have received disturbing reports about the forced recruitment of Nicaraguan citizens by the Contras, and have attached the relevant portions of a letter I received in April 1987 which contains information concerning four such individuals. I have since learned that two of them have returned to Nicaragua.

Can you verify the accuracy of the contents of this letter? Were these individuals forced to join the Contras and held against their will? (Please indicate the sources of your information.) Have you received reports of similar cases? What have you done to ensure that Contras have access to representatives of the International Red Cross, UNHCR, or other neutral organization to determine if they wish to return to Nicaragua or resettle elsewhere? What action will you be taking under the new Contra aid legislation to ensure that individual Contras can freely decide whether or not to resettle?

SECRETARY BAKER: This is an interim reply to your query regarding allegations of forced recruitment of Nicaraguan citizens by the Nicaraguan Resistance.

We have asked our Embassy in Honduras to look into the allegations, of forced recruitment provide us with information of any additional reports of similar cases as well as current procedures with regards to access to Resistance camps by non-government organizations.

CHAIRMAN LEAHY: The Indian population on the East Coast of Nicaragua totals 10% of the Nicaraguan population and is an important element to a lasting resolution of the conflict in Nicaragua and to the creation of a peaceful, fair and democratic Nicaragua.

Brooklyn Rivera represents the majority of the Indian people on the East Coast of Nicaragua yet the United States government does not appear to have a policy toward Mr. Rivera or the Indian population in general.

What is the Administration's policy toward the Nicaraguan Indians and Brooklyn Rivera? Will a high level official of the Administration be meeting with him?

Many of the Indian people are concerned that the United States over the last seven years seems to have encouraged division, not unity, among the Nicaraguan Atlantic Coast Indian population. Yet, with the new hope for peace in the region, the Indian people would be best served by a united negotiating front.

How will the United States encourage unity and reconciliation among the Indian leadership as well as with the Nicaraguan resistance leaders?

In 1987, the U.S. Congress set aside \$5 million for the MISURASATA Nicaraguan Indian Organization through the

leadership of Brooklyn Rivera. In 1988, it provided \$2 million to the YATAMA follow-on organization, again through Mr. Rivera. Yet, it is my understanding that none of these funds have reached Mr. Rivera and that some of the funds have been diverted to other Indian factions.

Can you detail the use of these funds? Who specifically received them? What was their ultimate use? Are there funds that remain unused?

SECRETARY BAKER: US policy towards the Nicaraguan Indians of the Atlantic Coast is not greatly different from our policy towards Nicaragua in general. We would hope that promised Sandinista political and economic reforms would encourage all Nicaraguans to return to a democratic and free Nicaragua. In addition, the Sandinistas will have to discuss seriously with the Indians their concerns about autonomy and the preservation of their culture.

Brooklyn Rivera has long contended that he is the leader of the YATAMA Indian organization. The organization is split into at least two factions. Rivera was expelled last year by the faction which holds the allegiance of the YATAMA resistance army; that faction is represented on the Directorate of the Nicaraguan Resistance by Wycliffe Diego. One factor that had divided the two factions has been their disagreement over the usefulness of negotiating with the Sandinistas. Rivera's expulsion was occasioned by his insistence on unilateral negotiations. In meetings with State Department officials last year after the Sandinistas had stonewalled Mr. Rivera's negotiations initiative, Mr. Rivera said he had gone from optimistic to cynical on the subject of Sandinista good intentions. Who leads the Indians is, of course, for them to decide, but if Mr. Rivera has indeed changed his point of view, perhaps he would be more acceptable to those who are less willing to believe that the Sandinistas have changed their policy and behavior towards the people of the Atlantic Coast. The USG would not oppose a united negotiating front among the Indian factions, but to this point divisions run deep, and the Diego/army faction has preferred unity with the Nicaraguan Resistance, and participated with the Resistance in the Sapoa negotiations.

Regarding the expenditure of USG assistance funds, the 1987 funds were given to the Indians and spent to the extent the Indian resistance could absorb the funding. The 1988 humanitarian assistance funds were spent on the YATAMA Indian forces located in Honduras. The Government of Nicaragua did not allow these funds to be spent inside Nicaragua, where Mr. Rivera claimed those forces loyal to him were located. (The GON also cancelled spending in Nicaragua under the Children's Survival Program and blocked equipment deliveries to Cardinal Obando's verification commission effort.) Unspent funds earmarked for YATAMA from the April 1988 program were returned to the Treasury.

CHAIRMAN LEAHY: During the past eight months that the Contras were receiving only "humanitarian" aid from the United States, I received numerous reports of military activity by the Contras. Did the Contras conduct armed attacks during that period? Approximately how many casualties resulted, both civilian and military, on both sides? Can you assure me the Contras will not engage in any military action during the next ten months? How will you monitor Contra activities inside Nicaragua?

SECRETARY BAKER: The informal truce between the

Resistance and the Sandinistas has been fragile since it was initiated at the end of the Sapoa talks. The Resistance has been without military aid during this period, and the resulting lack of ammunition is the primary reason they have largely been forced to pull back to the Honduran sanctuary. There have been clashes with the Sandinistas, but we estimate that in most cases, again because of the ammunition shortage, the Resistance was in a defensive mode. The Sandinistas have conducted a continuous "silent offensive" during this time against the remaining Resistance units in Nicaragua and against Resistance sympathizers. The silent offensive has been the topic of press articles. We do not know how many casualties have resulted from these clashes. We have informed the Resistance political and military leadership on several occasions that under the bipartisan accord, we will have to terminate assistance if they adopt a policy of offensive operations. Again, their ammunition situation does not lend itself to an offensive strategy. We are unable to monitor very well Resistance activities in Nicaragua for several reasons, including communications security on their part. Another is that we are no longer able to provide communications gear under our assistance program, and some units are losing the capability to report as their equipment deteriorates.

CHAIRMAN LEAHY: What military aid are the Contras receiving from sources other than the United States? What aid and from what sources other than the U.S. do you expect the Contras to receive during the next ten months? What military aid did the Contras receive and from what sources during the past eight months? (To each question please indicate how much aid, in what forms, and from what sources.) Please supply this information in classified form if it cannot be supplied in the public record.

SECRETARY BAKER: These question should be directed to the appropriate committees of the Congress.

CHAIRMAN LEAHY: Is the Administration currently doing anything to encourage other governments or private parties to supply aid of any kind to the Contras? If so, who and what aid?

SECRETARY BAKER: No

CHAIRMAN LEAHY: How many Contras have returned since the Nicaraguan government announced that it would grant amnesty to most Contras who return? Does the Administration have any reports of harassment or mistreatment of Contras who have returned? How many of those individuals have been mistreated and in what way, and what is the source of your information?

SECRETARY BAKER: Although the Sandinista government has offered amnesty to Resistance members for some time, the Resistance does not accept the concept of amnesty since it is an admission of guilt. The Resistance holds that the Sandinistas have sold out the revolution to Communism, and that the democratic opposition is the bearer of the true revolution. We do not know how many Contras have accepted amnesty and returned to Nicaragua, but we suspect the number is small. We have several reports that Contras who have returned to Nicaragua and accepted amnesty have suffered for it. The most famous is the case of "Comandante Moises" who was killed by the Sandinistas after accepting amnesty. We are checking with the Nicaraguan Association for Human Rights on the accuracy of the reports.

REPORT ON CONTRAS

SENATOR LEAHY: Please supply me with a copy of the report on the Contras recently completed for USAID by Robert Gersony.

MR. BAKER: That document is classified, and we will be providing you with a copy.

QUESTIONS SUBMITTED BY SENATOR DECONCINI

CONTRA AID

SENATOR DECONCINI: The Bush Administration reached agreement with the leadership on Capitol Hill on March 24, 1989 to provide for a bipartisan agreement on additional aid to the Nicaraguan Contras. The Administration has stated that its long term goal is to promote democracy in Nicaragua and to provide freedom of expression for the Nicaraguan people. The funds requested in the agreement would provide a continuation of humanitarian assistance to the Contras as well as support for the "voluntary reintegration and voluntary regional relocation" of the Contras.

As there are no provisions in this aid package for the prospect of renewed military assistance if the Sandinistas fail to follow through on free elections next year, what type of leverage do you envision the Bush Administration using to ensure that the long term goals are realized?

MR. BAKER: While there is no provision in the Bipartisan Accord for the renewal of military assistance to the Nicaraguan Resistance, the Administration reserves the right to return to Congress and seek such assistance in the event that the Sandinistas fail to fulfill their commitments under Esquipulas II and related accords. In addition, the United States is employing an array of diplomatic and economic measures to encourage the Sandinistas to continue their reform efforts. We have established a system of incentives and disincentives that we can use in a manner consonant with the rate of Sandinista reform.

SENATOR DECONCINI: Is the section of the Bush package calling for support for additional economic assistance to the other democratic countries of Central America designed to promote the support of these nations for this agreement?

SECRETARY BAKER: The Bipartisan Accord does not call for additional economic assistance to the Central American democracies. However, the Bipartisan Accord is designed to support Central American efforts to achieve peace and democracy in the region.

SENATOR DECONCINI: Mr. Secretary, as a signatory to the Arias Peace Plan and a democratic partner in Central America, the United States has a legitimate interest in ensuring future peace and stability of the democratic process in the region. Costa Rican President Oscar Arias has met with the President and indicated his tacit support for the agreement. It is unclear, however, what discussions this Administration has had with other countries in the region.

To what extent has the Bush Administration involved the other Central American countries in the development of the aid package or the implementation of the package's goals?

MR. BAKER: Of course, we continue to consult with all the Central American democracies on how we can work together toward

the common goals of democracy in Nicaragua and peace and stability in the region as a whole.

As our Bipartisan Accord states, providing humanitarian aid for the Nicaraguan Resistance -- at least through the promised elections early next year -- is intended to help us reach those goals. Central America's democratic leaders understand and, we believe, support this approach.

Already this year, President Bush has met with the presidents of Guatemala, Costa Rica, and Honduras and the president-Elect of El Salvador to consult on how we can advance the regional diplomatic process; in addition, Vice President Quayle has visited El Salvador as part of this process.

In our continuing dialogue with our friends in Central America, and throughout the world, we have also stressed that steady diplomatic pressure must be applied so that the Sandinistas will finally keep their pledge to give the Nicaraguan people the genuine democracy they deserve and for which they have been fighting.

SENATOR DECONCINI: Has any thought been given to using the possible leverage provided by other countries such as Mexico, which has open lines of communication with both the United States and the Sandinistas, and Venezuela to ensure that the Sandinistas fulfill their guarantees of free elections next February?

MR. BAKER: As I have stated Senator, the Administration is using a variety of diplomatic means to encourage the Sandinistas to fulfill their commitments under the Esquipulas and related accords. Those means include consultations with the nations in the region and encouragement for any constructive role they might wish to play. As I am sure you are aware, President Perez of Venezuela has been particularly active in this regard.

SENATOR DECONCINI: Mr. Secretary, Secretary Gorbachev recently met with Cuban President Castro in Havana. Following their meeting, Mr. Gorbachev strongly criticized the United States and its policy in Central America. He attacked the Bush Administration's plan as a continuation of U.S. "interface" in the domestic affairs of sovereign nations. I would counter his statements by reiterating the obvious and legitimate interests the United States has of continued diplomatic, economic, and military involvement in our own backyard.

In light of the Havana talks and Gorbachev's subsequent rhetoric, is the United States government aware of what decisions, if any, were reached on Central American policy between Mr. Castro and Mr. Gorbachev during their meeting?

Do we know if Mr. Gorbachev tried to or was successful in influencing Mr. Castro to reduce Cuban military involvement in the region?

Given Secretary Gorbachev's assurances to former President Reagan of a decrease in Soviet military support and activity in Nicaragua, have you had any indications from Foreign Minister Shevardnadze during your meetings with him about future Soviet involvement in the area?

MR. BAKER: Before responding to your specific questions, I would like to clarify two points. First, to our knowledge, General Secretary Gorbachev did not make the statements attributed to him in your question. Second, neither did he ever provide assurances to former President Reagan of a decrease in Soviet military support and activity in Nicaragua. What Gorbachev did say, at the time of the Washington summit (and which we would not accept) was that the USSR would

consider halting military aid to Nicaragua except for police weapons if we halted U.S. aid to our Central American allies.

We followed closely General Secretary Gorbachev's visit to Cuba and took note of his public statements, including his welcome renunciation of the doctrine of exporting Revolution. Beyond these statements, however, and subsequent inconclusive exchanges with Soviet officials, we have insufficient information from which to draw conclusions regarding specific decisions that may or may not have been reached on Central America between the two leaders.

Similarly, we have little evidence available to us to draw any conclusions whether Mr. Gorbachev tried to or was successful in influencing Mr. Castro to reduce Cuban military involvement in the region.

As for my recent meetings with Foreign Minister Shevardnadze in Moscow, Central America headed our agenda of regional issues of concern to the U.S. We had a full and detailed discussion on the problems we see facing the region. Shevardnadze noted publicly that the U.S. approach offered a good basis for future dialogue. We agreed to work toward a political and diplomatic solution to the problem of Nicaragua, and to support the goals of the Esquipulas and Tesoro Beach Accords. Those goals clearly move in the direction of reducing, if not eliminating, Soviet military support.

SENATOR DECONCINI: Mr. Secretary, a significant part of the Contra aid package, of interest to both Contra aid friends and foes, is the fact that aid shall be made available for the return of the Contra forces to Nicaragua. Some, such as President Arias, have argued that some of the aid should be used to encourage the Contras to return to Nicaragua and participate in the elections by running as candidates and supporting other opposition candidates. Others, however, believe that the majority of the Contra forces should remain in Honduras as a more or less viable force until appropriate conditions exist to make possible their full participation in the democratic process. It is my understanding that the Administration is not urging the Contras to leave their camps at this time. Obviously, we are all supportive of a complete flowering of democracy in Nicaragua. The recently announced talks aimed at unifying the many opposition parties in Nicaragua behind a single candidate may bear fruit in providing a significant opponent to the Sandinistas. If the Administration's position of not encouraging the return of the Contras to Nicaragua at this time is the best way of achieving this goal, I would be interested in learning how the leverage of the package will be implemented in this instance. Could you explore for me the development of the Administration's policy on this point?

MR. BAKER: The Administration is encouraging those members of the Nicaraguan Resistance who so desire to return voluntarily to Nicaragua and to participate in elections there. I stress, however, that such reintegration must be voluntary. It depends upon the Sandinistas creating economic and political conditions that guarantee the reasonable safety and full civil, political and economic rights of the Resistance. The Nicaraguan government must first prove to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom for returning Nicaraguans. If the affected individuals conclude that those guarantees have been met, we are prepared to facilitate their return to Nicaragua by means of the humanitarian assistance package approved by Congress pursuant to the Bipartisan Accord. The United States would like to see all Nicaraguans participate in a free and fair electoral process.

QUESTIONS SUBMITTED BY SENATOR HARKIN

CONTRA AID PACKAGE

SENATOR HARKIN: Mr. Baker, have all agencies of the U.S. government signed off on the bipartisan accord? Will all agencies, including the CIA, respect the integrity of the process, and not attempt to sabotage these elections as was done five years ago?

MR. BAKER: Senator, the President himself signed the Bipartisan Accord, so naturally, all of the agencies under his command will abide by the Accord. I would reiterate, Senator, that we hope the Sandinistas will live up to the commitments they have made to conduct a free and fair election in which the opposition participates on equal terms, and we hope that the Congress will work with us toward that goal.

SENATOR HARKIN: Can you provide this subcommittee written assurances that the U.S. will not engage in covert support for the Nicaraguan opposition in next year's elections?

MR. BAKER: The Nicaraguan people must assume ultimate responsibility for their political system. The current electoral and media laws in Nicaragua, however, give the FSLN a clear advantage over the internal opposition parties. We do not currently know where the opposition will be able to obtain needed support, although we assume they will be in direct contact with their western European and Latin American counterparts.

SENATOR HARKIN: Can you give this subcommittee written assurances that the U.S. will take the same neutral position in next year's Nicaraguan elections as it did in this year's Salvadoran elections?

MR. BAKER: The goal of the United States in next year's Nicaraguan elections is not to assure the victory of a particular candidate or party, but to assure the conduct of free, fair and open elections by the Nicaraguan government. We will pursue that goal until a democratically-elected government is installed in Nicaragua.

SENATOR HARKIN: The Tesoro Beach Accord of February 14 provides that delegates of OAS and UN will be invited to be present in Nicaragua during the election process. What standard will the Administration use when determining whether the Nicaraguan elections are conducted in a free and fair manner? Are you prepared to accept the conclusions of the OAS and UN?

MR. BAKER: In determining whether the elections are conducted in a free and fair manner, the United States will look generally to see if it is an election that is as free and fair as those held in democratic countries. We will look at the following standards:

There should be direct, good-faith talks to achieve a consensus between the Sandinistas and the opposition on acceptable ground rules for the election;

There should be chosen a truly balanced Supreme Electoral Council, or CSE, whose membership is agreed to by consensus between the Sandinistas and the opposition;

The CSE should oversee all aspects of the campaign; assure the neutrality during the campaign of all government

entities, including the police, media and military; and be empowered to implement remedies in instances of interference with the principles of free, fair and honest elections from whatever source;

All prohibitions or restrictions on donations to political parties, media, religious, and human rights groups should be eliminated, and prohibitions on use of official resources by any entity during the campaign should be enforced;

A revised media law should be promulgated which eliminates all forms of censorship, restrictions on acquisition of needed materials from whatever source; guarantees all candidates equal amounts of time on government radio, television, and print entities; and provides for review by the CSE of any fines or suspensions prior to enforcement will be promulgated; and

Habeas corpus and amparo should be restored in full.

In applying these standards, as the Bipartisan Accord makes clear, the United States retains the ultimate right and responsibility to define the extent to which the Sandinistas have complied with their stated commitments.

A.I.D. FUNDING FOR VERIFICATION

SENATOR HARKIN: The contra aid package approved by Congress last March provided \$10 million for the International Verification Commission consisting of the Nicaraguan Catholic Church and the OAS to verify provisions of the Sapoa Accord. It is my understanding that only \$3 million of that \$10 million has been obligated. Mr. Secretary, will those funds be made available to the OAS to assist it in monitoring the election process in Nicaragua?

MR. BAKER: The \$10 million is intended to support the Verification Commission created under the Sapoa Accord, which consists of Nicaraguan Cardinal Miguel Obando y Bravo and Joao Baena Soares, Secretary General of the OAS. All of those funds have been committed under an agreement signed last May, and roughly \$8 million remains unspent.

It is our understanding that the OAS is developing a plan for verifying the conditions for free and fair elections in Nicaragua. Secretary General Baena Soares is aware that these funds are available to verify free elections, democratization, freedom of expression, the cease-fire, and other reforms envisioned in the Sapoa and Esquipulas accords.

These funds are to support both members of the Verification Commission, and we have suggested to the OAS that Cardinal Obando be kept involved in this process, as Congress intended.

COSTS OF IMPLEMENTING THE REGIONAL ACCORDS

SENATOR HARKIN: Mr. Secretary, what do you estimate will be the U.S. contribution to the OAS and the UN for their monitoring of the region's borders and the Nicaraguan elections?

MR. BAKER: The UN will be involved in border verification but as yet has not decided on whether or not to monitor the elections. Without knowing at this time what UN parameters there will be on border verification it is

extremely difficult to estimate the cost of an enterprise that could encompass five countries. We do know there will be a need for aircraft (fixed wing and helicopters), vehicles, naval interdiction vessels, backup logistical support packages, and an indeterminant amount of personnel. While the U.S. is prepared to fully support a UN verification plan the cost of such an operation cannot be estimated at this time.

The OAS will be involved in monitoring the elections but as yet has not released any cost figures. As of two weeks ago a preliminary working estimate was put at \$3,000,000.

SENATOR HARKIN: What is your estimate of what the costs will be for relocating those contras and their families still in Honduras next February?

MR. BAKER: To begin with, the objective of the policy is to create the kinds of conditions in Nicaragua where the Resistance could go back home and participate in the political system of their country. The bipartisan agreement we have worked out with the Congress after intensive consultations forms the basis for a diplomatic strategy which could establish such safe, democratic conditions. A calculation would be very difficult to make until we had a better idea of the progress we had made towards the goal of reintegration -- given success, that calculation would not have a very high figure for resettlement and might even include some assistance to Nicaragua. Since the bipartisan agreement also provides for regional resettlement, we again have a variable which we cannot calculate until we have an idea of the success of the process.

A couple of rough figures may be relevant, however. For planning purposes, we usually estimate that resettlement of refugees in the U.S. costs approximately \$10,000 per person in direct federal government costs, exclusive of the burden on state and local entities. Moving all of the Resistance members to the U.S. would, therefore, involve a federal cost of over \$700 million. Relocation of the Resistance to other countries of the region, based on experience with handling refugees, would likely exceed \$250 million. But the Central Americans are not keen to accept additional refugees.

A critical variable is that unless you have created the political and economic condition in Nicaragua that allow a people to return, more are likely to come out in numbers that vastly complicate the existing problem -- particularly if they see we are offering relocation assistance. According, we believe that we should, for the moment, concentrate on getting the Sandinistas to fulfill their commitments and creating the political and social conditions that make Nicaragua an acceptable place for Nicaraguans to live, rather than speculating on the costs involved in a failure of the process.

SENATOR HARKIN: What is your estimate of the total costs for this package plus implementation of the regional accords--assisting in the demobilization of the contras and assurance of free elections in Nicaragua.

MR. BAKER: The U.S. would hope to contribute its fair share to the OAS effort to monitor the Nicaraguan elections. However, I can't give you a firm figure of the cost at this time. As noted above, the total cost is estimated, and I stress this is a preliminary estimate, to

be \$3 million. Resettlement of the Resistance in the U.S. could cost as much as, \$700 million, and within the region, to include Nicaragua, \$250 million. Because of the many imponderables at this time it is impossible to place a price tag on future costs of the entire package.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

BIPARTISAN ACCORD ON CENTRAL AMERICA

SENATOR D'AMATO: What benchmarks have been set to mark the process of Nicaraguan democratization? Are democratization and the voluntary repatriation program linked? What mechanisms exist to renounce the agreement should it be discovered that the Sandinistas are operating in bad faith?

MR. BAKER: By the time of the February 1990 elections, we would like to see the Sandinistas comply with the commitments they have undertaken in the Esquipulas II, Alajuela, Sapoa and Tesoro Beach accords. Specifically, we want to see the Sandinistas establish a national reconciliation, as they have promised, through dialogue with opposition groups, decrees of amnesty guaranteeing the inviolability of life, freedom, property and security, and participation in a National Reconciliation Committee. We also want to see a cessation of hostilities directed against insurgent groups; full, authentic democratization; a cessation of all aid to irregular forces and insurgent movements in the region; and free, pluralistic and fair elections in which the opposition has a full opportunity to participate, based on the commitments made by the Sandinistas in the Tesoro Beach accord. The Administration expects the Sandinistas to live up to their commitments in the accords, and we encourage members of Congress to take a role in investigating and verifying Nicaragua's progress toward democracy.

As for the linkage of democratization and reintegration, the Administration encourages any members of the Nicaraguan Resistance who so desire to return voluntarily to Nicaragua and to participate in elections there. I stress, however, that the Tesoro Beach accord mandates that such reintegration must be voluntary. It depends upon the Sandinistas creating civil, economic and political conditions that guarantee the reasonable safety and full political rights of the Resistance. The Nicaraguan government must demonstrate to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom for returning Nicaraguans. If the affected individuals conclude that those guarantees have been met, we are prepared to facilitate their return to Nicaragua by means of the humanitarian assistance package approved by Congress pursuant to the Bipartisan Accord. The United States would like to see all Nicaraguans participate in a free and fair electoral process.

While there is no provision in the Bipartisan Accord for the renewal of military assistance to the Nicaraguan Resistance, the Administration reserves the right to return to Congress and seek such assistance in the event that the Sandinistas fail to fulfill their commitments under Esquipulas II and related accords. In addition, the United States is employing an array of diplomatic and economic measures to encourage the Sandinistas to continue their reform efforts. We have established a system of incentives and disincentives that

we can use in a manner consonant with the rate of Sandinista reform.

SENATOR D'AMATO: Could you give us the details of the proposed plan to reintegrate the contras into civilian life? What guarantees are being offered to the contras by the Sandinistas against future retribution? What political and economic preconditions must be met by the Sandinistas as inducements for the contras to return?

MR. BAKER: In the Esquipulas accord, the Sandinistas promised that all Nicaraguans who have left the country for political or other reasons will be allowed to return to Nicaragua, and to participate fully in political, economic and social life, without being penalized or persecuted in any way for their past political or military activities. Nonetheless, Resistance representatives returning to Nicaragua for negotiations on reintegration have been subjected to harassment and threats by the Sandinistas, while some Miskito Indians returning from the ranks of the Resistance have reportedly been killed. The Nicaraguan government must demonstrate to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom. Any agreement on a plan of demobilization, relocation and reintegration, or DRR, would have to provide for sufficient consultation with the Resistance in a non-threatening atmosphere, and for guarantees of safety and full civil, political and economic rights. Voluntary reintegration depends upon the Sandinistas creating civil, economic and political conditions that guarantee the reasonable safety and full political rights of the Resistance. The decision whether to return to Nicaragua is one that must be made by each affected individual, based on his or her personal evaluation of the value of the Sandinistas' guarantees. The Administration encourages any members of the Nicaraguan Resistance who so desire, based on such an evaluation, to return voluntarily to Nicaragua and to participate in elections there.

CONCLUSION OF HEARING

We will stand in recess and we will adjourn. We will come back as a full committee at 4 o'clock—probably at 4 o'clock this afternoon. We will get the word out. Thank you.

Mr. KOZAK. Thank you, Mr. Chairman.

[Whereupon, at 11:58 a.m., Wednesday, April 12, the hearing was concluded, and the subcommittee was recessed to reconvene at the call of the Chair.]

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